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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2009

Open to Public Inspection

A For the 2009 calendar year, or tax year beginning 07-01-2009 and ending 06-30-2010

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization
BILLINGS CLINIC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
2800 Tenth Avenue North

City or town, state or country, and ZIP + 4
Billings, MT 59101

D Employer identification number
81-0231784

E Telephone number
(406) 238-2134

G Gross receipts $ 926,574,385

F Name and address of principal officer
Nicholas Wolter MD
2800 Tenth Avenue N
Billings, MT 59101

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status ☑ 501(c) (3) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ billingsclinic com

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1907 | **M** State of legal domicile MT

Part I Summary

1 Briefly describe the organization's mission or most significant activities
Billings Clinic will be a national leader in providing the best clinical quality, patient safety, service and value

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	12
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	9
5	Total number of employees (Part V, line 2a)	**5**	3,867
6	Total number of volunteers (estimate if necessary)	**6**	285
7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	**7a**	4,289,301
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	186,909

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	5,693,843	5,252,157
	9 Program service revenue (Part VIII, line 2g)	451,968,251	486,738,291
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-4,043,389	4,176,066
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	9,879,486	13,867,154
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	463,498,191	510,033,668
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	246,829,655	262,345,592
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶0		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	216,244,036	224,834,233
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	463,073,691	487,179,825
	19 Revenue less expenses Subtract line 18 from line 12	424,500	22,853,843

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	471,413,009	497,625,440
	21 Total liabilities (Part X, line 26)	231,877,980	231,421,885
	22 Net assets or fund balances Subtract line 21 from line 20	239,535,029	266,203,555

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Sign Here

Signature of officer — Date: 2011-05-09

Connie F Prewitt CFO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-empolyed ☐	Preparer's identifying number (see instructions)
Firm's name (or yours if self-employed), address, and ZIP + 4			EIN ▶
			Phone no ▶

May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☐ No

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission

Billings Clinic is a not-for-profit, physician-led, multispecialty medical group practice integrated with a hospital and long term care facility, serving the communities of Montana, northern Wyoming and the western Dakotas Their mission is healthcare, education and research

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a	(Code	) (Expenses $	174,216,713	including grants of $	0) (Revenue $	269,715,600)	
	Hospital patient care						
4b	(Code	) (Expenses $	174,378,290	including grants of $	0) (Revenue $	187,993,084)	
	Clinic patient care						
4c	(Code	) (Expenses $	11,285,456	including grants of $	0) (Revenue $	7,861,985)	
	Nursing home patient care						
4d	Other program services (Describe in Schedule O) **See also Additional Data for Description**						
	(Expenses $	8,627,026	including grants of $	0) (Revenue $	21,167,622)		
4e	**Total program service expenses** ▶ $	368,507,485					

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	**Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.** Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent,or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	Is the organization's answer to any of the following questions "Yes"? *If so,complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.*	11	Yes	
	• Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*			
	• Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*			
	• Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*			
	• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*			
	• Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*			
	• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? *If "Yes," complete Schedule D, Part X.*			
12	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12	Yes	
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? **Yes** / **No** *If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional* — **12A** Yes			
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Part I*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Part II*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Part III*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**		No
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25*	**24a**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**	Yes	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096, *Annual Summary and Transmittal of U.S. Information Returns. Enter -0-* if not applicable	**1a**	197		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	**1b**	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		**1c**	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	**2a**	3,867		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note:** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)		**2b**	Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?		**3a**	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*		**3b**	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		**4a**		No
b	If "Yes," enter the name of the foreign country ▶ _____ See the instructions for exceptions and filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		**5a**		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		**5b**		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		**5c**		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?		**6a**		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		**6b**		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		**7a**		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		**7b**		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		**7c**		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	**7d**			
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		**7e**		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		**7f**		No
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		**7g**		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		**7h**		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		**8**		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?		**9a**		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		**9b**		
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12	**10a**			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	**10b**			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	**11a**			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	**11b**			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		**12a**		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	**12b**			

Part VI **Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body . .	1a 12		
b	Enter the number of voting members that are independent . .	1b 9		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . .	3		No
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a material diversion of the organization's assets? . .	5		No
6	Does the organization have members or stockholders?	6		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a		No
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . .	7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		No

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		No
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11	Yes	
11A	Describe in Schedule O the process, if any, used by the organization to review the Form 990			
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	Yes	
13	Does the organization have a written whistleblower policy?	13	Yes	
14	Does the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	If "Yes" to line a or b, describe the process in Schedule O (See instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		No
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ▶

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you make these available Check all that apply

☐ Own website ☐ Another's website ☑ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public See Additional Data Table

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶

Billings Clinic
2800 Tenth Ave North
Billings, MT 59101
(406) 238-2134

Part VII Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year Use Schedule J-2 if additional space is needed

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

☐ Check this box if the organization did not compensate any current or former officer, director, trustee or key employee

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See add'l data										

1b Total . . . . . ▶	6,175,729	0	497,397

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization ▶ 327

			Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	**3**	Yes	
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	**4**	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? *If "Yes," complete Schedule J for such person*	**5**		No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
Hardy Construction Box 1203 Billings, MT 59103	Building contractor	8,699,987
Sodexo C/O Billings Clinic Billings, MT 59101	Patient food service	4,960,655
Huron Consulting 8044 Solutions Center Chicago, IL 606778000	Consulting	2,741,594
MD Network Box 731 Cody, WY 82414	Transcription services	1,846,286
Langlas & Asso 2270 Grant Road Billings, MT 59102	Building contractor	1,597,771
2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 47		

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a 0				
	b	Membership dues	1b 0				
	c	Fundraising events	1c 0				
	d	Related organizations	1d 5,252,157				
	e	Government grants (contributions)	1e 0				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f 0				
	g	Noncash contributions included in lines 1a-1f $ 0					
	h	**Total.** Add lines 1a-1f		5,252,157			
Program Service Revenue			Business Code				
	2a	Patient service revenue	622,000	482,448,990	482,448,990	0	0
	b	Reference lab	621,500	3,701,457	0	3,701,457	0
	c	Optical shop	446,130	587,844	0	587,844	0
	d						
	e						
	f	All other program service revenue		0	0	0	0
	g	**Total.** Add lines 2a–2f		486,738,291			
	3	Investment income (including dividends, interest and other similar amounts)		4,617,064	0	0	4,617,064
	4	Income from investment of tax-exempt bond proceeds		0	0	0	0
	5	Royalties		0	0	0	0
			(i) Real / (ii) Personal				
	6a	Gross Rents	670,392 / 0				
	b	Less rental expenses	83,827 / 0				
	c	Rental income or (loss)	586,565 / 0				
	d	Net rental income or (loss)		586,565	0	0	586,565
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	415,685,698 / 20,568				
	b	Less cost or other basis and sales expenses	416,045,241 / 102,023				
	c	Gain or (loss)	-359,543 / -81,455				
	d	Net gain or (loss)		-440,998	0	0	-440,998
Other Revenue	8a	Gross income from fundraising events (not including $ 0 of contributions reported on line 1c) See Part IV, line 18	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events					
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities					
	10a	Gross sales of inventory, less returns and allowances	a 439,884				
	b	Less cost of goods sold	b 309,626				
	c	Net income or (loss) from sales of inventory		130,258	0	0	130,258
		Miscellaneous Revenue	Business Code				
	11a	Insurance premiums	524,298	4,593,969	4,593,969	0	0
	b	Share of JV	621,300	1,911,056	1,911,056	0	0
	c						
	d	All other revenue		6,645,306	6,645,306	0	0
	e	**Total.** Add lines 11a–11d		13,150,331			
	12	**Total revenue.** See Instructions		510,033,668	495,599,321	4,289,301	4,892,889

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U S See Part IV, line 21				
2 Grants and other assistance to individuals in the U S See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	2,064,707	0	2,064,707	0
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	218,599,104	177,044,790	41,554,314	0
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	8,507,589	6,961,515	1,546,074	0
9 Other employee benefits	19,646,456	14,171,155	5,475,301	0
10 Payroll taxes	13,527,736	10,605,086	2,922,650	0
11 Fees for services (non-employees)				
a Management				
b Legal	976,183	22,709	953,474	0
c Accounting	158,148	0	158,148	0
d Lobbying	34,606	0	34,606	0
e Professional fundraising *See Part IV, line 17*				
f Investment management fees	572,412	0	572,412	0
g Other	30,580,951	11,298,060	19,282,891	0
12 Advertising and promotion	817,914	63,497	754,417	0
13 Office expenses	91,462,510	87,470,704	3,991,806	0
14 Information technology	4,619,318	493,479	4,125,839	0
15 Royalties				
16 Occupancy	6,530,806	3,340,378	3,190,428	0
17 Travel	2,218,647	1,436,266	782,381	0
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	319,748	109,958	209,790	0
20 Interest	10,587,931	114,023	10,473,908	0
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	16,842,344	13,068,162	3,774,182	0
23 Insurance	10,689,086	4,538,350	6,150,736	0
24 Other expenses Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a Bad debt	36,731,905	33,174,679	3,557,226	0
b Repairs	5,378,756	4,082,920	1,295,836	0
c Bed tax	3,471,427	284,915	3,186,512	0
d Recruitment	1,466,329	10,279	1,456,050	0
e Dues and fees	928,942	158,390	770,552	0
f All other expenses	446,270	58,170	388,100	0
25 **Total functional expenses.** Add lines 1 through 24f	487,179,825	368,507,485	118,672,340	0
26 **Joint costs.** Check here ▶ ☐ if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		32,676,908	1	17,087,854
	2	Savings and temporary cash investments		22,509,743	2	21,883,719
	3	Pledges and grants receivable, net		0	3	0
	4	Accounts receivable, net		67,179,356	4	68,297,133
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		8,605,654	7	8,546,299
	8	Inventories for sale or use		6,249,792	8	6,794,151
	9	Prepaid expenses and deferred charges		5,059,160	9	5,524,333
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 390,119,356			
	b	Less accumulated depreciation	10b 203,411,628	189,729,277	10c	186,707,728
	11	Investments—publicly traded securities		94,028,931	11	139,090,983
	12	Investments—other securities See Part IV, line 11		0	12	
	13	Investments—program-related See Part IV, line 11		16,035,420	13	12,191,155
	14	Intangible assets		4,209,259	14	3,722,305
	15	Other assets See Part IV, line 11		25,129,509	15	27,779,780
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		471,413,009	16	497,625,440
Liabilities	17	Accounts payable and accrued expenses		50,659,671	17	47,708,467
	18	Grants payable		0	18	0
	19	Deferred revenue		0	19	0
	20	Tax-exempt bond liabilities		151,503,289	20	144,839,706
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*		0	21	0
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		2,382,969	23	2,531,045
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities Complete Part X of Schedule D		27,332,051	25	36,342,667
	26	**Total liabilities.** Add lines 17 through 25		231,877,980	26	231,421,885
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		214,546,713	27	240,597,129
	28	Temporarily restricted net assets		7,993,304	28	7,725,992
	29	Permanently restricted net assets		16,995,012	29	17,880,434
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		239,535,029	33	266,203,555
	34	Total liabilities and net assets/fund balances		471,413,009	34	497,625,440

Part XI Financial Statements and Reporting

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		No
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	2c	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separated basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b		

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
BILLINGS CLINIC

Employer identification number
81-0231784

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

1 ☐ A church, convention of churches, or association of churches **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3 ☑ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state

_____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)

9 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

10 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization? **11g(i)**		
(ii) a family member of a person described in (i) above? **11g(ii)**		
(iii) a 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		

h Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document? Yes	(iv) No	(v) Did you notify the organization in col (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the U S ? Yes	(vi) No	(vii) Amount of support?
Total									

Part II **Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public Support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (See instructions) **12**

13 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2009 (line 6 column (f) divided by line 11 column (f)) **14**

15 Public Support Percentage for 2008 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2009.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support test—2008.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2009.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2008.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶☐

18 **Private Foundation** If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶☐

Part III Support Schedule for Organizations Described in IRC 509(a)(2)

(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public Support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support** (Add lines 9, 10c, 11 and 12)						

14 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶

Section C. Computation of Public Support Percentage

15	Public Support Percentage for 2009 (line 8 column (f) divided by line 13 column (f))	15
16	Public support percentage from 2008 Schedule A, Part III, line 15	16

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2009** (line 10c column (f) divided by line 13 column (f))	17
18	Investment income percentage from **2008** Schedule A, Part III, line 17	18

19a **33 1/3% support tests—2009.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶

b **33 1/3% support tests—2008.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶

20 **Private Foundation** If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions ▶

Part IV **Supplemental Information.** Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. See instructions

Additional Data

Software ID:
Software Version:
EIN: 81-0231784
Name: BILLINGS CLINIC

Form 990, Part III - 4 Program Service Accomplishments (See the Instructions)

4d. Other program services

(Code	) (Expenses $	0	including grants of $	0) (Revenue $	0)	Other
(Code	) (Expenses $	8,627,026	including grants of $	0) (Revenue $	21,167,622)	Other program services

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
W Ballard Board Member	2	X						3,750	0	1,500
D Brown Board Member	2	X						0	0	5,721
T Hathaway Board Member	2	X						0	0	6,898
L Knight Board Member	2	X						0	0	7,229
P Nance Board Member	2	X						1,500	0	1,500
J Ott Board member	2	X						0	0	5,460
L Overstreet Board Member	2	X						0	0	6,898
M Schaer Board Member	5	X						7,500	0	3,000
J ShepardLovell Board Member	2	X						0	0	6,582
Dr J Millikan Board Member/Physician	95	X						568,808	0	34,741
Dr C McCracken Board Member/Physician	80 00	X						319,795	0	30,289
Dr N Wolter CEO	60	X		X				584,429	0	193,066
C Prewitt Chief Financial Officer	68 00			X				128,328	0	32,277
D Ebel Chief Financial Officer	40 00			X				231,750	0	0
Dr Wentzell Dermatologic surgeon	50					X		971,774	0	34,229
Dr Morone Neurologic surgeon	95 00					X		878,534	0	32,107
Dr Lindenbaum Radiologist	60					X		826,293	0	31,917
Dr Sample Interventional cardiologist	90					X		822,716	0	32,253
Dr Purcell Oncologist/hemotologist	60					X		819,322	0	30,485
Dr J Knostman Board member	0 00						X	11,230	0	1,245

Form 990, Part IX - Statement of Functional Expenses - 24a - 24e Other Expenses

Do not include amounts reported on line 6b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
Bad debt	36,731,905	33,174,679	3,557,226	0
Repairs	5,378,756	4,082,920	1,295,836	0
Bed tax	3,471,427	284,915	3,186,512	0
Recruitment	1,466,329	10,279	1,456,050	0
Dues and fees	928,942	158,390	770,552	0

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SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ **Complete if the organization is described below.**
▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No 1545-0047

2009

Open to Public Inspection

If the organization answered "Yes," to Form 990, Part IV, Line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations Complete Part I-A only

If the organization answered "Yes," to Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered "Yes," to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, line 35a (regarding proxy tax), then

- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of the organization	Employer identification number
BILLINGS CLINIC	81-0231784

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

Part I-B Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $ _____

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $ _____

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

Part I-C Complete if the organization is exempt under section 501(c) except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $ _____

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt funtion activities ▶ $ _____

3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ $ _____

4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No

5 State the names, addresses and employer identification number (EIN) of all section 527 political organizations to which payments were made For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

(a) Name	**(b)** Address	**(c)** EIN	**(d)** Amount paid from filing organization's funds If none, enter -0-	**(e)** Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-

Part II-A **Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

A Check ☐ if the filing organization belongs to an affiliated group

B Check ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing Organization's Totals	(b) Affiliated Group Totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)	0	
b Total lobbying expenditures to influence a legislative body (direct lobbying)	34,606	
c Total lobbying expenditures (add lines 1a and 1b)	34,606	
d Other exempt purpose expenditures	487,145,219	
e Total exempt purpose expenditures (add lines 1c and 1d)	487,179,825	
f Lobbying nontaxable amount Enter the amount from the following table in both columns	1,000,000	
g Grassroots nontaxable amount (enter 25% of line 1f)	250,000	
h Subtract line 1g from line 1a If zero or less, enter -0-	0	
i Subtract line 1f from line 1c If zero or less, enter -0-	0	

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ Yes ☐ No

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) Total
2a Lobbying non-taxable amount	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
b Lobbying ceiling amount (150% of line 2a, column(e))					6,000,000
c Total lobbying expenditures	184,134	136,064	105,276	34,606	460,080
d Grassroots non-taxable amount	250,000	250,000	250,000	250,000	1,000,000
e Grassroots ceiling amount (150% of line 2d, column (e))					1,500,000
f Grassroots lobbying expenditures	0	0	0	0	0

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?			
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
c	Media advertisements?			
d	Mailings to members, legislators, or the public?			
e	Publications, or published or broadcast statements?			
f	Grants to other organizations for lobbying purposes?			
g	Direct contact with legislators, their staffs, government officials, or a legislative body?			
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
i	Other activities? If "Yes," describe in Part IV			
j	Total lines 1c through 1i			
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

			Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1		
2	Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		
3	Did the organization agree to carryover lobbying and political expenditures from the prior year?	3		

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes".

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) non-deductible lobbying and political expenditures **(do not include amounts of political expenses for which the section 527(f) tax was paid).**		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1i
Also, complete this part for any additional information

Identifier	Return Reference	Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
BILLINGS CLINIC

Employer identification number
81-0231784

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit ☐ Yes ☐ No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or pleasure)
☐ Preservation of an historically importantly land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

			Held at the End of the Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a ☐ Public exhibition
- b ☐ Scholarly research
- c ☐ Preservation for future generations
- d ☐ Loan or exchange programs
- e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance	18,575,246	17,655,956			
b Contributions	665,198	1,048,699			
c Investment earnings or losses	399,625	-194,238			
d Grants or scholarships	0	0			
e Other expenditures for facilities and programs	0	120,464			
f Administrative expenses	0	0			
g End of year balance	19,640,069	18,389,953			

2 Provide the estimated percentage of the year end balance held as

- a Board designated or quasi-endowment ▶ 9 %
- b Permanent endowment ▶ 91 %
- c Term endowment ▶ 0 %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

		Yes	No
(i) unrelated organizations	3a(i)		No
(ii) related organizations	3a(ii)	Yes	
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	Yes	

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	0	17,998,001		17,998,001
b Buildings	0	143,495,043	55,073,805	88,421,238
c Leasehold improvements	0	1,810,962	1,348,039	462,923
d Equipment	0	196,000,511	139,680,367	56,320,144
e Other	0	30,814,839	7,309,417	23,505,422
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				186,707,728

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives		
Closely-held equity interests		
Other		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Less than 5% of total assets	12,191,155	F
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶	12,191,155	

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Beneficial interest in Billings Clinic Foundation	27,779,780
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	27,779,780

Part X Other Liabilities. See Form 990, Part X, line 25.

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	0
Swap valuation	22,153,253
Claims reserve	6,312,390
Provision for unpaid claims	7,877,024
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	36,342,667

2. Fin 48 Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	510,033,668
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	487,179,825
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	22,853,843
4	Net unrealized gains (losses) on investments	4	3,779,428
5	Donated services and use of facilities	5	0
6	Investment expenses	6	0
7	Prior period adjustments	7	0
8	Other (Describe in Part XIV)	8	35,255
9	Total adjustments (net) Add lines 4 - 8	9	3,814,683
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	26,668,526

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	513,813,096
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	3,779,428		
b	Donated services and use of facilities	2b	0		
c	Recoveries of prior year grants	2c	0		
d	Other (Describe in Part XIV)	2d	0		
e	Add lines **2a** through **2d**			2e	3,779,428
3	Subtract line **2e** from line **1**			3	510,033,668
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	0		
b	Other (Describe in Part XIV)	4b	0		
c	Add lines **4a** and **4b**			4c	0
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	510,033,668

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	487,179,825
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a	0		
b	Prior year adjustments	2b	0		
c	Other losses	2c	0		
d	Other (Describe in Part XIV)	2d	0		
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	487,179,825
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	0		
b	Other (Describe in Part XIV)	4b	0		
c	Add lines **4a** and **4b**			4c	0
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	487,179,825

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
SchD_P05_S00_L04	Schedule D, Part V, Line 4	Endowment funds are to be invested and held in perpetuity to provide a source of income for Billings Clinic programs and needs
SchD_P10_S00_L00	Schedule D, Part X	The Organization adopted the provisions of ASC 740, Income Taxes ASC 740 clarifies the accounting for uncertainty in income taxes recognized in an organization's financial statemnts in accordance with the ASC and prescribes a recognition threshold and measurment standard for the financial statement recognition and measurement of an income tax postition taken or expected to be taken in a tax return The Organization has reviewed its tax positions for all open tax years and has concluded no reserves are requred
SchD_P11_S00_L08	Schedule D, Part XI, Line 8	Transfer of donated equipment from Billings Clinic Foundation

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990.
▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
BILLINGS CLINIC

Employer identification number
81-0231784

Part I Charity Care and Certain Other Community Benefits at Cost

			Yes	No
1a	Does the organization have a charity care policy? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals ☐ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients			
a	Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care ☐ 100% ☑ 150% ☐ 200% ☐ Other _____	3a	Yes	
b	Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☑ 300% ☐ 350% ☐ 400% ☐ Other _____	3b	Yes	
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Does the organization's policy provide free or discounted care to the "medically indigent"?	4	Yes	
5a	Does the organization budget amounts for free or discounted care provided under its charity care policy?	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
6a	Does the organization prepare an annual community benefit report?	6a	Yes	
6b	If "Yes," does the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheets 1 and 2)		39,940	13,635,106	0	13,635,106	3 03 %
b Unreimbursed Medicaid (from Worksheet 3, column a)		95,257	36,729,054	38,077,061	-1,348,007	0 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)		0	0	0	0	0 %
d **Total** Charity Care and Means-Tested Government Programs	0	135,197	50,364,160	38,077,061	12,287,099	3 03 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)	34	119,822	3,649,555	490,443	3,159,112	0 7 %
f Health professions education (from Worksheet 5)	5	3,268	2,375,037	475,455	1,899,582	0 42 %
g Subsidized health services (from Worksheet 6)	13	185,931	49,449,675	38,051,078	11,398,597	2 53 %
h Research (from Worksheet 7)	1	6,756	2,511,363	486,874	2,024,489	0 45 %
i Cash and in-kind contributions to community groups (from Worksheet 8)	6	8,749	279,250	0	279,250	0 06 %
j **Total** Other Benefits	59	324,526	58,264,880	39,503,850	18,761,030	4 16 %
k **Total.** Add lines 7d and 7j	59	459,723	108,629,040	77,580,911	31,048,129	7 19 %

Part II Community Building Activities Complete this table if the organization conducted any community building activities.

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing	1		3,744	0	3,744	0 %
2	Economic development	0		0	0	0	0 %
3	Community support	1	250	2,392	0	2,392	0 %
4	Environmental improvements	0		0	0	0	0 %
5	Leadership development and training for community members	0		0	0	0	0 %
6	Coalition building	0		0	0	0	0 %
7	Community health improvement advocacy	1		152,079	0	152,079	0 %
8	Workforce development	3	293	66,168	33,453	32,715	0 %
9	Other	0		0	0	0	0 %
10	**Total**	6	543	224,383	33,453	190,930	0 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Does the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1			No
2	Enter the amount of the organization's bad debt expense (at cost)	2	16,604,938		
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy	3	1,136,455		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including other bad debt amounts in community benefit				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	145,111,020		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	166,121,165		
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-21,010,145		
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used				

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?	9a	Yes		
9b	If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI	9b	Yes		

Part IV Management Companies and Joint Ventures

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership%	(e) Physicians' profit % or stock ownership %
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					

Part V Facility Information

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
Billings Clinic 2800 Tenth Avenue N Billings, MT 59101	X			X		X	X		7 outpatient physician clinics 1 DME supplies
Billings Clinic Aspen Meadows 3155 Avenue C Billings, MT 59102									Long term care and assisted living facility
Billings Clinic TCU 2800 Tenth Avenue N Billings, MT 59101									TCU
Billings Clinic Dialysis Center 2800 Tenth Avenue N Billings, MT 59101									Dialysis unit
Billings Clinic Sheridan Dialysis 1401 West 5th St Sheridan, WY 82801									Dailysis unit
Bozeman Dialysis Center 931 Highland Blvd Bozeman, MT 59715									Dialysis unit
Billings MRI Center 1041 North 29th St Billings, MT 59101									Medical imaging
Livingston Imaging Center 504 S 13th ST Livingston, MT 59047									Medical imaging

Part VI Supplemental Information

Complete this part to provide the following information

1 Provide the description required for Part I, line 3c, Part I, line 6a, Part I, line 7g, Part I, line 7, column (f), Part I, line 7, Part III, line 4, Part III, line 8, Part III, line 9b, and Part V See Instructions

See additional data

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves

See additional data

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy

See additional data

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

See additional data

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves

See additional data

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)

See additional data

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communites served

N/A

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Additional Data

Software ID:
Software Version:
EIN: 81-0231784
Name: BILLINGS CLINIC

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

The Federal Poverty Guidelines (FPG) are utilized to determine eligibility In addition, Billings Clinic utilizes a calculator that has built into the formulas the FPG and the cost of living within our area to help determine the patient's ability to pay There are individuals who do receive free care, without co-pay, and we are currently updating our policy to reflect that Our application requires submitting bank statement and investment account information to consider assets as part of the process The application includes o Completed and signed application and financial assistance checklist completed o Letter of need completed o Complete copies of previous years federal and state tax returns, all pages, all schedules, all W-2's o Debt to income ratio o Type of employment (part/time, seasonal, etc) o Copies of earnings for last three months for each person in the household, i e , paystubs, social security, pensions, unemployment benefits, etc Profit and Loss statement for self employed applicants o Copies of last three months bank statements, savings statements, investment account statements o Letters of support from assisting party if household is receiving assistance from family and/or friends o Award letters from SNAP, LIEAP, TANF, college loans, general assistance, etc o If currently unemployed, when was last day of work? o How they spend their income (Information from bank statements)

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

For the calculation of the unreimbursed cost of charity care and Medicaid, a ratio of patient care cost to charges using worksheet 2 was utilized For the calculation of the cost of subsidized services, individual department cost to charge ratios were used, rather than facility wide

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Included as subsidized health services are the unreimbursed cost attributable to our rural primary care physician clinics and regional physician outreach clinics (minus bad debt, charity care, Medicaid and Medicare) at a total net benefit of $3,419,815 (Outreach clinic numbers include costs of travel, physician compensation and benefits minus reimbursement) We provide rural outreach clinics in areas of Montana and Wyoming that do not offer specialty physician services, including cardiology and oncology This service allows rural patients access to care that may be unattainable to them if required to drive 60 to 300 miles away to Billings, Montana Physician outreach is especially beneficial to the elderly, frail, ill, single parents and others who would have trouble traveling, or who could not take time off from their job, farm or ranch

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Bad debt expense included on Form 990, Part IX, line 25, column A, but subtracted for purposes of calculating the percentage column is $36,731,905

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

For the calculation of the unreimbursed cost of bad debt, a ratio of patient care cost to charges using worksheet 2 was utilized and applied to charges written off to bad debt The facility does not routinely discount patient charges and any payments received would reduce the bad debt expense At this time, the provider does not have a methodology in place to determine amounts applicable to patients who would qualify for charity care, but did not provide sufficient information Many of these accounts are written off to charity care under the organization's current policies, based upon known factors, such as, homelessness Others are written off to bad debt, but cannot be identified We do have a number that would cover possible patients who would have qualified for charity care in the hospital only, but did not provide enough information to qualify That amount is a cost of $1,136,455

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

For the calculation of the unreimbursed cost of Medicare a ratio of patient care cost to charges using worksheet 2 was utilized and applied to gross Medicare charges Billings Clinic provided care to 30,614 Medicare recipients, with a total of 374,738 clinic and hospital encounters, at an unreimbursed cost of $21,010,145 We do not use the Cost Report for this number The Cost Report only captures revenue related to the facility and does not capture revenue/losses related to clinical professional services, which are a substantial portion of Billings Clinic Medicare shortfalls In addition, we believe that 46 percent of Billings Clinic's Medicare shortfalls ($9,664,666) should be counted as a community benefit Our rationale is that 46 percent is the best estimate of the percentage of Montana's Medicare population who are at or below 300% of Federal Poverty Level, based on U S Census data The upper limit of our financial assistance policy is 300%

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

The collection policy screens patients for financial assistance prior to making payment arrangements for care The policy applies equally to all patients - insured, under-insured or uninsured Once a determination has been made and adjustments applied to the account balance, any remaining balance would fall into the regular guidelines of collection, giving patients financing options that will work within their monthly budget

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

of each type of facility, other than those required to be licensed already noted in part V

Form 990 Schedule H, Part VI - Supplemental Information, Line 2

Billings Clinic participated in a Community Health Needs Assessment process in 2006 and again in 2010 in collaboration with St Vincent Healthcare and Riverstone Health, the public health department in our city/county, to better identify medical/health needs of Yellowstone County residents The needs assessment included qualitative and quantitive research with input from a broad spectrum of participants, including community members, public health officials and health care providers The assessment guides collective and individual organization's efforts to improve the health status, increase life span, and improve the overall quality of life of county residents The 2010 assessment results will be available in late January of 2011 to help with future community benefit planning

Form 990 Schedule H, Part VI - Supplemental Information, Line 3

Patient Education of Eligibility for Assistance * All patients may apply for financial assistance - informational brochures and applications are available at registration desks in the clinic and hospital, the Emergency Department discharge desk, care management staff and on our website at billingsclinic com * Information about financial assistance is printed on the back of patient bills * Patients hospitalized without identifying a third party payer source are screened for coverage/assistance - SSI (Social Security Supplemental income, if approved will qualify for Medicaid), SSDI (Social Security Disability Income), Veterans' Administration, Indian Health Services, Workers Compensation, Medicaid, Crime Victims, and health insurance coverage * A Financial Assistance brochure is mailed to new patients (Clinic and Hospital) in their pre-admission packets These packets are mailed to all patients, even if they cannot be reached by phone in advance * An application is mailed to patients whose payment pattern indicates that they may need assistance * Staff is available to help any patient needing assistance to complete an application * According to our existing Financial Application policy, a patient is not eligible for charity assistance if the account is sent to bad debt We do bring accounts back in house for charity assistance on a case-by-case basis * An account is sent to bed debt at least 120 days after they are considered just "self-pay", at least three statements, and/or multiple attempts to contact the patient

Form 990 Schedule H, Part VI - Supplemental Information, Line 4

Billings Clinic is based in Billings, Montana, the largest city in Montana, with more than 142,000 people in Yellowstone County In Billings there are two not-for-profit hospitals of similar size Billings Clinic's defined service area includes 560,404 people living in 40 counties in eastern Montana and northern Wyoming, covering 121,000 square miles or roughly the size of the state of New Mexico Thirty-eight of those 40 counties are either wholly or partly designated as Health Professional Shortage Areas (HPSA) by the US Department of Health and Human Services, Health Resources and Services Administration under the Primary Medical Care discipline The area includes five American Indian Reservations and an American Indian population of 38,882, or 6 9% of the service area's population The US Census Bureau 2008 estimates show that 27 3% of Montana families are below 200% of the Federal Poverty level, compared to 26 6% for the nation and Montana is ranked 13th lowest of 50 states in Median Family Income Montana is ranked 12th highest among 50 states in the percent of people below age 65 who were without health insurance coverage in 2008, with 18 9% uninsured and looking at all age groups, including the age 65+, Montana ranks 13th highest with 16 1% uninsured in 2008

Form 990 Schedule H, Part VI - Supplemental Information, Line 5

Community Building Activities include community health advocacy, workforce development and partnerships with local, state and regional government and health care organizations to address health issues For example, one of Billings Clinic's Medical Directors, Doug Carr, MD, works as a loaned executive (about 250 hours per year) for the City-County Health Board and is currently the chair of that Board The Health Board works for overall community health, primary prevention and helping the underserved Much of our Community Building Activities are hours worked by several of our executives and our public affairs director for the Alliance, comprised of leaders from Billings Clinic, St Vincent Healthcare and Riverstone Health (city/county public health) Projects or outcomes of the Alliance partnerships include * Community Crisis Center - enhances access to behavioral health care in Billings in response to identified community need The Center is staffed 24 hours per day, seven days per week with a combination of registered nurses, licensed mental health therapists, and mental health technicians During a stay that must be less than 24 hours, clients are stabilized and assessed to facilitate the development of a crisis management plan * Medication Assistance Program (MAP) - helps patients afford the prescription drugs they need by connecting individuals with available patient assistance programs offering discounted or free prescription medication MAP assists low income, uninsured or under- insured people in getting the medications they need, but can't afford * Plan to Improve the Community's Health (PITCH) - The purpose of PITCH is to provide a framework for a community that is healthy by design, i e , to intentionally influence the environment in which people live, work, and play such that positive health effects are enhanced and negative health effects are mitigated * Healthy by Design - To help recognize organizations in Yellowstone County committed to improving our community's health, Healthy by Design encourages, recognizes, educates and creates a standard of excellence for promoting healthy lifestyles by encouraging active living and healthy choices that shape the future of the community * Healthy Places - The Alliance organizations have developed a program aimed at improving the health of our community Some of the ways include community planning (Health Impact Assessments), safe routes to school and strengthened nutrition policies in schools

Form 990 Schedule H, Part VI - Supplemental Information, Line 6

Billings Clinic is an integrated health care organization, combining a not-for-profit multi-specialty medical group practice with a hospital and long term care facility Our organization promoted community health in many ways in Fiscal Year 2010, including * Substantial financial assistance and charity care was provided to patients in need Billings Clinic provides more charity care than another other hospital or health care organization in Montana * Care was provided to Medicare and Medicaid patients, as well as SCHIP for children * Our Board's governance and nominating committee reviewed the entire 990, including Schedule H, which was then discussed with the entire Board of Directors * Billings Clinic is a teaching hospital and supports, along with Riverstone Health and St Vincent Healthcare, the only post-graduate medical education in Montana - the Montana Family Medicine Residency Program Nearly 90 percent of the graduates establish a practice in rural, medically underserved settings in Montana In addition we provide ongoing preceptorships for medical, nursing and pharmacy students so that they can obtain real-life experience during college and graduate school * Billings Clinic is a Medicaid disproportionate share hospital serving a significantly disproportionate number of low-income patients * Billings Clinic has the only inpatient psychiatric services available in our region of central and eastern Montana and northern Wyoming, despite significant financial loss We are committed to mental health care and continually work to find ways to reach those in need in the region, such as through telemedicine programs and education for primary care providers * Our full-time emergency department is maintained where no one is denied care, within our capacity to provide care * Our board of directors is composed of community members who reside in the primary service area Only three out of 12 board members are employees - two are employed physicians and one is our CEO * Medical staff privileges are open to all qualified physicians in our community Operating surpluses are directed solely toward meeting our charitable purposes, including education, research, capital expenses, debt amortization, patient care improvements and medical education

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
BILLINGS CLINIC

Employer identification number
81-0231784

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☑ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☑ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax idemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**	Yes	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**	Yes	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply			
	☑ Compensation committee	☑ Written employment contract		
	☑ Independent compensation consultant	☑ Compensation survey or study		
	☐ Form 990 of other organizations	☑ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**	Yes	
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
Dr N Wolter	(i)	584,189	0	240	183,822	9,245	777,496	0
	(ii)	0	0	0	0	0	0	0
C Prewitt	(i)	118,088	10,000	240	30,000	2,277	160,605	0
	(ii)	0	0	0	0	0	0	0
Dr J Millikan	(i)	559,476	8,451	880	25,626	9,115	603,548	0
	(ii)	0	0	0	0	0	0	0
Dr C McCracken	(i)	310,538	0	9,257	23,237	7,052	350,084	0
	(ii)	0	0	0	0	0	0	0
Dr J Knostman	(i)	0	0	11,230	1,245	0	12,475	0
	(ii)	0	0	0	0	0	0	0
Dr Wentzell	(i)	622,452	349,222	100	21,775	12,454	1,006,003	0
	(ii)	0	0	0	0	0	0	0
Dr Morone	(i)	642,015	233,899	2,620	20,425	11,681	910,640	0
	(ii)	0	0	0	0	0	0	0
Dr Lindenbaum	(i)	407,048	419,185	60	20,669	11,249	858,211	0
	(ii)	0	0	0	0	0	0	0
Dr Sample	(i)	822,716	0	0	21,034	11,219	854,969	0
	(ii)	0	0	0	0	0	0	0
Dr Purcell	(i)	806,016	13,126	180	19,294	11,191	849,807	0
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8 Also complete this part for any additional information

Identifier	Return Reference	Explanation
SchJ_P01_S00_L01a	Schedule J, Part I, Line 1a	Billings Clinic periodically arranges and pays for charter travel for management and/or Board members attending governance education conferences, State legislative hearings and association meetings There were 9 of these flights in FY10 Billings Clinic also pays for the travel expenses of spouses of Board members attending organizationally approved/arranged goverance education This reimbursement is reported as income consistent with the Board travel reimbursement policy
SchJ_P01_S00_L04	Schedule J, Part I, Line 4	Supplemental Retirement Agreement (CEO) - nonelective 457(f) plan provides for fixed annual deferrals in amounts ranging from $115,000 to $165,000, which become vested and payable after continued employment on June 30, 2013 or earlier death, disability, involuntary termination without cause, or involuntary termination for good reason following a change in control of the corporation Physician 457(f) Plan - Nonelective 457(f) plan provides for one-time deferral of $200,000 in August 2006 to become vested and payable on July 1, 2010 or in a prorated amount on earlier death, disability or involuntary termination of employment without cause Executive 457(f) Plan - Nonelective 457(f) plan provides fixed annual deferrals for Vice Presidents ($30,000) and Executive Directors ($15,000), each of which becomes vested and payable after 4 years, or upon attainment of age 62, death, disability, involuntary termination without cause, or involuntary termination for good reason following a chnage in control of the corporation, and unless vested is forfeited on termination of employment
SchJ_P01_S00_L06	Schedule J, Part I, Line 6	The Board of Directors annually determines the incentive plan amount for the CEO and the Senior Executive Team based on an external compensation study The availability of the incentive is triggered by the organizational operating margin performance target The incentive is awarded based on financial performance as well as organizational performance measurements in quality, service satisfaction, both patient and employee satisfaction and then individual goals set each year if the target is triggered The incentive is paid only if triggered following the financial audit presentation

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).**
▶ **Attach to Form 990.** ▶ **See separate instructions.**

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
BILLINGS CLINIC

Employer identification number
81-0231784

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer	
							Yes	No	Yes	No
A	Montana Facility Finance Authority	81-0302402		05-30-2008	60,000,000	Property, plant and equipment		X		X
B	Montana Facility Finance Authority	81-0302402		06-24-2009	12,720,000	Property, plant and equipment		X		X

Part II Proceeds

		A	B	C	D	E
1	Total proceeds of issue	60,000,000	12,720,000			
2	Gross proceeds in reserve funds	5,535,735				
3	Proceeds in refunding or defeasance escrows	0				
4	Other unspent proceeds	0				
5	Issuance costs from proceeds	1,200,000	58,000			
6	Working capital expenditures from proceeds	0				
7	Capital expenditures from proceeds	53,264,265	12,662,000			
8	Year of substantial completion	2009	2009			

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
9	Were the bonds issued as part of a current refunding issue?		X		X						
10	Were the bonds issued as part of an advance refunding issue?		X		X						
11	Has the final allocation of proceeds been made?	X		X							
12	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X							

Part III Private Business Use

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X						
2	Are there any lease arrangements with respect to the financed property which may result in private business use?		X		X						

Part III Private Business Use *(Continued)*

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts with respect to the financed property which may result in private business use?		X		X						
3b	Are there any research agreements with respect to the financed property which may result in private business use?		X		X						
3c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?	X		X							
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶		0 %		0 %						
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶		0 %		0 %						
6	Total of lines 4 and 5		0 %		0 %						
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X							

Part IV Arbitrage

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X						
2	Is the bond issue a variable rate issue?		X		X						
3a	Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records?		X		X						
b	Name of provider										
c	Term of hedge										
4a	Were gross proceeds invested in a GIC?		X		X						
b	Name of provider										
c	Term of GIC										
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?										
5	Were any gross proceeds invested beyond an available temporary period?		X		X						
6	Did the bond issue qualify for an exception to rebate?		X		X						

Additional Data

Software ID:
Software Version:
EIN: 81-0231784
Name: BILLINGS CLINIC

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SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
BILLINGS CLINIC

Employer identification number
81-0231784

Identifier	Return Reference	Explanation
F990_P06_S0B_L11	Form 990, Part VI, Section B, Line 11	The 990 review is as follows 1)CFO, 2)Executive group, 3)Governance and Nominating Committee of the Board, 4)Board of Directors

Identifier	Return Reference	Explanation
F990_P06_S0B_L12c	Form 990, Part VI, Section B, Line 12c	The Governance and Nominating Committee of the Board, according to their charter, reviews annually the disclosure statements of the Board of Directors and senior executives and takes action to resolve conflicts A Conflict of Interest Review Panel, chaired by the Compliance Officer, as outlined in organizational policy, is responsible for reviewing disclosed conflicts and approving necessary conflict management plans of all other interested persons at Billings Clinic

Identifier	Return Reference	Explanation
F990_P06_S0B_L15	Form 990, Part VI, Section B, Line 15	Billings Clinic has an executive compensation program administered by independent trustees following best practices and the highest regulatory standards expected of a not-for-profit organization They follow a board apporved charter and overall executive compensation philosophy which defines the market as a comparable set of not-for-profit health care delivery systems They look at relevant market data of similar roles in similar organizations Annual disclosure of the committee's actions and decisions to the full Board is required

Identifier	Return Reference	Explanation
F990_P06_S0C_L19	Form 990, Part VI, Section C, Line 19	Billings Clinic makes its tax forms available for public inspection through individual request

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
BILLINGS CLINIC

Employer identification number
81-0231784

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
Montana Healthcare Indemnity 2800 Tenth Avenue N Billings, MT 59101 81-0231784	Insurance captive	MT	4,593,969	8,212,343	Billings Clinic

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
Billings Clinic Foundation 2917 Tenth Avenue N Billings, MT 59101 81-0407289	Fund raising	MT	501(c)(3)	7	Billings Clinic

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, or 36.)

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III or IV			
1 During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity	1a		No
b Gift, grant, or capital contribution to other organization(s)	1b		No
c Gift, grant, or capital contribution from other organization(s)	1c	Yes	
d Loans or loan guarantees to or for other organization(s)	1d		No
e Loans or loan guarantees by other organization(s)	1e		No
f Sale of assets to other organization(s)	1f		No
g Purchase of assets from other organization(s)	1g		No
h Exchange of assets	1h		No
i Lease of facilities, equipment, or other assets to other organization(s)	1i		No
j Lease of facilities, equipment, or other assets from other organization(s)	1j		No
k Performance of services or membership or fundraising solicitations for other organization(s)	1k		No
l Performance of services or membership or fundraising solicitations by other organization(s)	1l	Yes	
m Sharing of facilities, equipment, mailing lists, or other assets	1m	Yes	
n Sharing of paid employees	1n	Yes	
o Reimbursement paid to other organization for expenses	1o	Yes	
p Reimbursement paid by other organization for expenses	1p	Yes	
q Other transfer of cash or property to other organization(s)	1q		No
r Other transfer of cash or property from other organization(s)	1r	Yes	

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved
(1) Billings Clinic Foundation	c	5,252,157
(1) See Additional Data Table		
(2)		
(3)		
(4)		
(5)		
(6)		

Part VI **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization See instructions regarding exclusion for certain investment partnerships

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproprtionate allocations?		(g) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No